



County of Los Angeles  
Department of Public Social Services

Bryce Yokomizo  
Director

May 30, 2002

TO: Each Supervisor

*TSK/ML*

FROM: Bryce Yokomizo, Director

SUBJECT: FY 2001- 02 CalWORKs SHORTFALL

This is to advise you that, based on our expenditures through March 2002, we project a current year CalWORKs shortfall of \$38.5 million.

In February, after State notification that we would receive \$31.5 million in equity pot monies, we had projected the shortfall at \$25.7 million. Now, with the benefit of data reflecting actual expenditures through the third quarter of the current fiscal year, we have upwardly adjusted the shortfall projection. This adjustment is due to higher than anticipated CalWORKs expenditures, primarily for child care payments and CalWORKs eligibility determination.

We have not assumed any additional funding from the State in developing this projection. In the past, however, when counties closed out a fiscal year, and finalized expenditure data, the State redistributed money from counties that closed with surpluses to counties that closed with deficits. As counties have until March 31, 2003, to adjust claims for the prior fiscal year, we may not know our actual CalWORKs shortfall until several months after that. Depending on our receipt of any redistributed State funding, the amount of performance incentives funds needed to cover the FY 01-02 CalWORKs shortfall may be less than \$38.5 million.

We will update you on our projected FY 01-02 shortfall in August after submission of our fourth quarter claim. Our update will include a preliminary projection of any potential benefit to Los Angeles from the redistribution of surplus funding. In the interim, I will advise you of any significant developments that further impact our shortfall projection.

BY:sc

c: Chief Administrative Officer  
County Counsel  
Auditor-Controller

JUN 12 2002